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REFLEXIVE PLANNING FOR LATER LIFE: A  
CONCEPTUAL MODEL AND  
EVIDENCE FROM CANADA

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QSEP Research Report No. 359

May 2001

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This report is cross-listed as No. 44 in the McMaster University SEDAP Research Paper Series.

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This study was funded by the Social Sciences and Humanities Research Council of Canada. Funding was also made available through the Program for Research on Social and Economic Dimensions of an Aging Population (SEDAP). It has support from the Social Sciences and Humanities Research Council of Canada under the Major Collaborative Research Initiatives Program.

# **REFLEXIVE PLANNING FOR LATER LIFE: A CONCEPTUAL MODEL AND EVIDENCE FROM CANADA**

## **ABSTRACT**

In this paper, we present a conceptual model to describe an individual's preparations for later life. Situated in the life course perspective, this model invites a comprehensive and systematic study of later life planning. It describes a dynamic process that portrays the interplay between social structure and human agency. Through its consideration of collective preparations (the public protection programs offered by the state), individual preparations (financial and non-financial), and the interplay between them, this model provides fresh insight into the existing literature on retirement planning, the timing of retirement, savings, and consumption patterns in later life. Moreover, the model may be used to structure research questions, to guide policy decision making and to point the direction for the design and content of future research studies. While the purpose of this paper is primarily the development of a conceptual model, we illustrate the model using the results of a self-completion semi-structured questionnaire on this topic that was completed by a convenience sample of 240 seniors in Canada. We conclude by suggesting a number of research questions that may be generated from the model.

Key words: retirement planning, financial security, savings, independence

## **Introduction**

In the current post industrial society there is a whole new set of social risks associated with aging. Old age is no longer associated with a safe and secure time of life as defined by the benefits received through the social welfare state in the late 1970s and 1980s. To provide for independence and financial security in their later years individuals must reflect on the social conditions of their lives and make choices intended to improve their opportunities to live a fulfilling and productive life.

Whether consciously or not, at each point in time, individuals have a combination of financial and non-financial, collective and individual, mandatory and voluntary resources for later life. Resources may include, for example, a combination of public and private pensions, a supportive family, leisure activities and health practices.

In this paper, we present a model to describe the resources individuals have for achieving independence and financial security in later life. To date, research on planning for later life has been neatly divided into those who study the financial (ie. financial planning, economic security, income inequality) or the non-financial aspects such as health, leisure and social supports. Further, researchers approach financial preparations from a social policy/political economy perspective (ie. old age social security policies) or from the perspective of how the individual plans financially for their retirement. There has been little research that studies later life planning from a more holistic perspective, integrating the financial and non-financial, individual and collective preparations made by the individual and the state.

Situated in the life course perspective, the model presented here invites a comprehensive and systematic study of preparations for later life. It describes a dynamic process that portrays the

interplay between human agency and social structure. Through its consideration of collective preparations (the public protection programs offered by the state and occupational pension plans), individual preparations (financial and non-financial), and the interplay between them, this model provides fresh insight into the existing literature on retirement planning, the timing of retirement, the social construction of aging, savings, and consumption patterns in later life. Moreover, the model may be used to develop retirement planning programs, to guide policy decision making, to structure research questions and to point the direction for the design and content of future research studies.

### **The Concept of Social Risk**

People have, throughout history, faced the social risks of poverty, hunger, homelessness, and sudden death in their lives. The notion of “risk” is as central to our culture today as it was in historical times (Beck, Giddens and Last, 1994). Esping-Anderson (1999) identifies three types of social risks: class, life course and intergenerational. **Class** risks imply that the likelihood of a social risk is unevenly distributed across social strata such as occupation, income or education. **Life course** risks imply that social risks are distributed unequally across the life course, especially in childhood and old age (because earnings and health decline). **Intergenerational** risks are based on the fact that the life chances of some groups, such as the poor, and certain racial or ethnic groups are systematically inferior. These life chances become ‘inherited’ disadvantage and the risks are passed on from one generation to the next.

There are numerous social risks associated with the life course risk of aging including poverty, social isolation, loss of independence and autonomy. Esping-Anderson (1999) argues that

the post-industrial society brings with it new categories of social risks. Post-industrial society is altering the risk structure in dramatic ways; in part because new inequalities are emerging; in part because of labour market and demographic transformation. To adequately prepare for one's future aging, these risks need to be managed or reduced.

According to Epsing-Anderson (1999) there are three main sources of managing social risks, the state, the market and the family. Welfare states emerged as a societal approach to protect individuals against social risks. The state through its social welfare policies manages all three types of social risks – class risks (or social inequalities), life-course and intergenerational risks. The state coverage of life-course risk includes providing for old age via income security programs, public pensions, and universal (or targeted) health care programs. The post-welfare state has been somewhat successful in minimizing many of the risks that plagued elderly; for example, there has been a reduction in poverty, universal health care has been introduced in many western industrial nations, and there has been the growth of long-term care facilities.

The market manages life-course risks, through mechanisms such as life insurance and private pension systems, but it does not address class or intergenerational risks. The family addresses life course risks by providing care for children, social support for family members and being the main care provider for an infirm elder. What is missing from Epsing-Anderson's discussion is the notion of human agency. Individuals have agency, they make rational decisions about their own lives. They make decisions that allow them to reduce the risk in their lives.

Epsing-Anderson argues that neither the state, the market, nor the family can be counted upon to guarantee welfare as once was the case. The state is reducing and/or privatizing many of its

social welfare programs. The market and the family are now themselves catalysts of risk. High levels of unemployment that characterized the last two decades have pushed individuals to early retirement, unemployment, or forced retirement without the financial resources to do so (Kohli et al., 1991). Changes such as the increase in single parent families, the dramatic increase in female employment, and the geographic dispersion of families mean that family members may not be available to provide the care required to a parent in ill health. The emerging risks of post-industrial society, then, come primarily from the revolution that is downloading the management of social risks from the state, the market and the family to individuals.

The notion of later age or retirement as a ‘risk’ is rooted in the writings of Giddens (1991) Beck (1992), and Beck, Giddens and Lash (1994). These authors argue that the current, “high” phase of modernity is characterized by rapid change and chronic uncertainty, and by the pervasiveness of risk, of which people are increasingly made aware by mass communication. The social arrangements of industrial society are being eclipsed by “...individualized forms and conditions of existence, which compel people—for the sake of their own material survival—to make themselves the centre of their own planning and conduct of life” (Beck, 1992:88). The postindustrial labour market increasingly demands that workers be flexible and unfettered by traditional ties to family and community. Under these conditions, Giddens and Beck argue, individuals increasingly reflect upon the social conditions of their lives and make choices intended to improve those conditions in a process that Giddens (1991) refers to as **“reflexive life planning”**.

Giddens (1991) is concerned with the relationship between agency and social structure, and with the creation and maintenance of self-identity. He sees reflexive life planning as the

predominant strategy individuals used to cope with risk, in which the creation of identity and biography become a “reflexive project of the self”. He points to increased reliance on expert knowledge and the continual revision of identity as individuals seek to carve out a sense of security in an uncertain and ever changing world.

### **A CONCEPTUAL MODEL: REFLEXIVE PLANNING FOR LATER LIFE**

Inspired by a classification of different insurance strategies suggested by Becker & Ehrlick (1972), we suggest that there are three types of preparations for later life. The first, *public protection*, includes the benefits provided by the state to reduce for individuals the social risks of poverty, homelessness, disease and disability. These benefits include state-provided pensions, income-related transfer programs designed to provide an element of income security, public health programs, health services, housing programs and other public protection programs offered by the state. The second type of preparation, *self-insurance* includes the financial preparations that individuals make to insure against poverty and/or to maintain their standard of living in later life. They may take the form of savings accounts, investments, contributions to individual pension and company pension accounts, and private insurance policies to provide for their long-term health care. The third type of preparation, *self protection* includes the non-financial activities or preparations that individuals make to avoid disease and disability, maintain high physical and cognitive function and sustain engagement in social and productive activities. Rowe and Kahn (1997) argue that these three domains encompass what they define as “successful aging” ( p. 439). Self protection activities include: healthy life style choices, engagement in social support networks including the family, and



seeking a safe a secure physical environment.

Individuals have, at each point in time, a unique portfolio of financial and non-financial, collective and individual, mandatory and voluntary preparations for later life. Social structure and existing patterns of inequality, power and resource distribution constrain the individual and limit the self-insurance and self-protection preparations that individuals make for their later lives. Thus, individuals differ in their ability to self-insure and self-protect in their later life. For example, low income earners may be less likely to self-insure their later life. Moreover, the ability to self-insure or self-protect the future may vary over the life course, for example, individuals are able to save more towards their retirement after their children leave home and are financially self-sufficient.

The conceptual model assumes that age cohorts differ in their ability to self-insure and self-protect their later life, in that their choices are dependent on the historical circumstances of their lives. For example, baby boomers in Canada who, over their life course, have occupied a ‘privileged’ position in the labour market may be better able to prepare for their future than succeeding cohorts (Foot & Stoffman, 1996).

But, individuals have agency; they are rational beings who make creative decisions within the limits of structural constraints (Giele & Elder, 1998; Breysers, 1984). Based on their preferences they exercise choice in the preparations that they choose. Some place more emphasis on building and maintaining strong networks of social support, while others place more emphasis on ensuring financial security in later age.

Moreover, the content of the portfolio is dynamic and changes over the life course. People make adjustments all the time according to the circumstances of their lives. Youths may not be

actively preparing, those at mid-life may begin to prepare, depending on their economic and social resources, while many pre-seniors may be actively preparing for their retirement. Further, individuals have some control over individual aspects of their portfolios, while other collective aspects are dependent on the social security and health policies of their country of residence.

There is no one “optimal” mix of financial and non-financial preparations. The needs of individuals in later life vary and so what is “right” for one person may not be “right” for the next. Some preparations for later life are complementary or additive. Self-protection complements self-insurance. Self-insurance complements public protection and visa versa. For example, staying physically fit and healthy allows one to enjoy the fruits of being financially well-off in retirement; contributions to RRSPs increase retirement income above that received from the Old Age Security Pension. Furthermore, some types of preparations substitute for others, some do not. Contributions to individual pension plans or savings and investments may substitute for the lack of a company pension plan. Social support in the form of informal care giving may substitute for the lack of a publically funded nursing home bed. Formal services may provide instrumental assistance but cannot provide the intangible emotional support that may be obtained from long-standing close relationships. There is no substitute for love.

While the purpose of this paper is primarily the development of the model, we illustrate the model with results from a study of 240 seniors in Canada. Results from this preliminary study were used to develop a questionnaire guide for a more comprehensive and in-depth qualitative study of how seniors prepare for their later lives.

## **The Sample**

The Centre for Gerontological Studies at McMaster University has developed a convenience sample of older Canadians known as SHARE -- Seniors Helping with Aging Research -- who are willing to participate in research on aging. The sample began with a group from the United Teachers of Ontario and then we invited others from various community centers to join the group. Nearly half its members are retired teachers or educational administrators, many of whom retired early on “good pensions”. However, the sample does include others from all walks of life. To assist us with developing the conceptual model, we sent these seniors a self-completion semi-structured questionnaire asking them about their financial and non-financial preparations for later life. Of the 315 questionnaires mailed out in November of 1999, 240 completed questionnaires were returned, for a response rate of 76%.

Respondents range in age from 55 to over 90. Two-thirds are female. About one-half are married, one-third are widowed, and the rest are separated, divorced or single. Over one-third live alone, one-half live with a spouse and about one-tenth live with a child or someone else. Nearly three-quarters of the respondents live in a house. The vast majority report good or excellent health with only about one-tenth reporting fair or poor health. Over ninety percent of the sample are retired, nearly three-quarters of the retired doing so before the age of 65.

## **THE CONCEPTUAL MODEL, WITH ILLUSTRATIONS FROM CANADA**

### **Public Protection**

In Canada, government transfer programs are made up of the Old Age Security (OAS), the

Guaranteed Income Supplement (GIS) and the Spouse's Allowance (SA) . The GIS is provided to Canadians with no income other than the OAS, while the SA goes to spouses between the age of 60 and 64 who are married to a GIS pensioner. These transfer programs are paid out of tax revenue and are meant to protect older people's incomes from falling below a specified level.

The Canada Pension Plan (CPP) and the Quebec Pension Plan (QPP), are available to all Canadians who were in the paid labour force. The C/QPP is a mandatory "pay as you go" benefit with the contributions of those currently in paid employment financing the C/QPP of today's seniors. With the aging of the Canadian population, there is a growing concern that a smaller labour force will not be able to afford to provide the C/QPP at current levels to the baby boomers when they turn 65. Public confidence in the CPP has been seriously eroded.

The Canadian health care system may also be seen as a social institution that protects the independence and economic security of older Canadians against the high costs of health care. Paid through the tax system, Canada's health care system provides universal access to physician services and acute hospital care. Health care is a provincial responsibility, but the federal government was instrumental in establishing and maintaining universal coverage to medical care through its command of monetary resources and the setting of national standards and priorities. Long-term care in nursing or retirement homes and community- based programs such as home care or visiting nursing or homemaking services are not covered by any comprehensive national insurance scheme. They have tended to develop as add-ons to existing institutional medical care and there is a clear lack of uniformity from province to province (see the articles on long-term care in the Canadian Journal on Aging 1995; Greb et al. 1994).

Beyond economic security and health care, other programs are in place to promote the independence and economic security of seniors. These include public housing or rent-geared-to-income housing for seniors, and seniors centres to promote leisure activities and social support.

In our sample, all seniors received the old age security pension, one-tenth also obtained the low-income supplement (GIS) and another tenth received the spouse's allowance. In addition, ninety percent received the CPP.

### **Self-Insurance**

Self insurance includes the financial preparations that individuals make such as savings, investing, contributing to a registered retirement pension plan (RRSP) or a registered employer pension plan (RPP), paying off debts, or deciding to return to work after retirement to bolster their financial preparations.

The 1991 Statistics Canada Survey of Ageing and Independence included several questions on the preparations that people made for their retirement (the unit of analysis was households rather than individuals). The data show over their life-time 49% of respondents age 45 and over contributed to an RRSP; 58% built up their savings; 29% made other investments; 63% paid off or are avoiding debts; 17% made a major purchase; and 39% have an RPP (Denton et al., 2000).

In our sample nearly ninety percent of the 240 respondents had made financial preparations for their retirement or later life with about half of them beginning to make financial preparations more than 10 years before retirement.

In an open-ended question we asked "did you make or are you making any financial

preparations for your retirement?”. They told us that they had contributed to RRSPs (41%), company pension plans (21%), and other investments including stocks, mutual funds, savings bonds, savings and annuities. Many respondents had made a combination of financial preparations as evidenced by the following quotes from the self-completion questionnaire:

*“Yes, generous pension plan at place of employment. Invested in RRSPs to the maximum extended funds allowed. Paid off mortgage on house.”*

*“Invested, put money in RRSP, moved from house to apartment.”*

*“First of all to have a roof over my head, paid off the mortgage on house and husband’s business. Setting money aside in accounts for GIC, Canada Bonds, then mostly RRSPs. The repairs, roof, windows etc. in tip top shape, and no outstanding bills or other major big amounts that would have to be paid after retirement.”*

In addition 40% returned to work after their initial retirement with the vast majority of them returning to part-time work. When asked why they had returned to work they gave various reasons, the most frequent being for financial reasons.

## **Self Protection**

Self-protection includes the activities or preparations individuals make to avoid disease and disability, maintain high physical and cognitive function and sustain engagement in social and productive activities. As noted earlier, Rowe and Kahn (1997) argue that these three domains encompass what they define as a multidimensional concept known as “successful aging”. They argue that successful aging is more than the absence of disease or the maintenance of functional capacities, rather “it is their combination with active engagement with life that represents the concept of successful aging more fully” (p. 433).

While some argue that the meaning of old age is in a social crisis where the definition of old age never quite escapes the idea of the old as a ‘burden’ on society (Phillipson, 1998), Walker (1999) sees an alternative and more positive construction of aging emerging, where aging is seen as ‘productive’ or successful aging. Indeed, the image portrayed in the media of a frail and dependent senior is giving way to seniors portrayed as active, healthy, independent, and interested in life. Literature or courses on retirement preparation speak of the non-financial preparations that people should make for their retirement such as developing hobbies and leisure activities.

Recent evidence suggests that while genetics plays an important role in the onset of disease and disability and the loss of independence in later life, environmental and behavioural factors including elements of lifestyle are also important. Much of the recent focus on health promotion has attempted to persuade people to adopt healthier lifestyles by quitting smoking, reducing alcohol intake, eating healthy foods and staying physically fit and active.

There are numerous ways in which people attempt to maximize their cognitive functions in later life. Education, including life-long intellectual activities (reading, crossword puzzles, etc.) helps to maintain cognitive function in later life (Rowe, 1997). Others choose to retire gradually from the labour force in order to stay active, stay interested in life and to maintain social contact. McDonald (1996:xvi) estimates that somewhere between 30% to 50% of people move into their “final” retirement via part-time employment or using “bridge jobs” from their “career” jobs into retirement.

Many Canadians engage in physical activities as a means of maintaining their physical functioning as they age. This includes activities such as walking, playing sports such as golf or tennis, attending exercise classes, gardening and so on.

Increasing age is associated with poorer health, greater likelihood of chronic diseases, increased disability, and a decrease in functional abilities associated with activities of daily living (Garfein and Herzog 1995; Mor et al., 1994; Jagger et al., 1993; Strawbridge et al., 1992; Forbes et al., 1991; Roos & Haven, 1991; Hirdes et al., 1986). However, as many seniors have found, it is still possible to live an independent lifestyle with a moderate degree of disability. This is possible partly through changes in lifestyle including modifications in the living environment. In the last third of life, many people may sell their family homes and move into a smaller retirement home or condominium which may entail less maintenance and or allow aging in place. This may be either for life style or health reasons. Those with chronic health problems and disabilities may also choose to make adaptations to their homes to allow for independent living.

According to Rowe & Kahn (1997), continuing engagement with life has two major elements: maintenance of productive activities and interpersonal relations. Leisure is said to replace work and many seniors spend more time on leisure activities and hobbies after retirement. Social support is an important determinant of health and well-being (Chappell, 1992). Moreover, social isolation has been found to be an important risk factor for health. Studies of the relationship of social support and well-being identify both a direct and indirect (or buffer) effect of social support. Direct effect refers to such things as being a member of a group, day-to-day interaction and the perception that others are supportive. The indirect effect refers to the buffer effect that social support plays in mediating the effect of stress on quality of life in times of crisis (Chappell, 1992). Socio-emotional support (affection, friendship, confidants) appears to be more important than instrumental support for well-being (Chappell, 1992; Rowe & Kahn, 1997).



Social support may come from a number of sources including: spouse, children, siblings and friends. Gee & Kimball (1987 ) argue that friends may be more important to overall well-being than kin. This is because it is the quality of relationships, particularly the confidant relationship, which contributes most importantly to well-being. Research suggests that activities with non-family are more satisfying than activities with family because friends share the same generational experiences and the relationships are voluntary rather than obligatory.

In our study, we asked respondents if they had made changes to self-protect their later life just before or at the time of their retirement. In a series of questions, we asked if they had made any changes in their physical activity level, in their leisure activities, if they did something to improve or maintain their health, and if they had made any other changes in their lives such as a change in residence or any other changes to your home. 42% had made a change in their physical activities; 50% had made a change in their leisure activities; 56% had made changes to improve their health and 26% had made a move.

Again we asked respondents to describe these changes in a series of open-ended questions. In terms of the **physical activities** respondents mentioned walking, participating in exercise classes or groups, working in the garden, engaging in sports, swimming, dancing and exercise classes such as tai chi and aerobics. In their words:

*“When I retired, I joined a mall walking program. Also joined a senior club YWCA for aquatics, learned to play Euchre.”*

*“With my husband’s retirement, we could go canoeing, bicycling, walking, skiing etc. on any day of the week and so our participation increased. We began the new activity of Tai Chi and also have more time for active gardening.”*

Many respondents made changes in their **leisure activities** at the time of retirement including traveling, volunteer work, joining a centre or club, participating in educational activities, increasing contact with friends and family, increasing their activities at church and taking up a hobby. They wrote:

*“Became more active in the church, joined Senior Centre, volunteered at cancer Society and Red Cross. Spent more time at the cottage. Taken a number of courses including quilting, computers, calligraphy etc. Took a course in handling retirement at Mohawk.”*

*“After my husband died I became involved in volunteering at my mother’s nursing home. Became a Lady Hamilton and volunteered at the Tourist Office. Also joined at Sackville Seniors Centre.”*

*“Increased visiting with friends, community groups, symphony, volunteering, book clubs and political activity.”*

Changes to **health activities** included one-third who took more exercise, and one-fifth who made a change to their diet. A few also mentioned taking vitamins and monitoring their health.

*“I exercise a few times a week by swimming lengths. I tried to eat properly and to maintain a clear and reasonably attractive appearance. I took only the necessary drugs. I visited a doctor and a dentist on a regular basis.”*

*“Did considerable reading on health maintenance. Began taking more vitamins. Eat foods that are beneficial to our health. Stopped eating meat.”*

In terms of the **physical environment**, one-quarter made a move at the time of retirement; another fifth renovated their existing home. They wrote:

*“I sold my 4 bedroom home of 34 years to my son! I’m in an apartment where the second bedroom is my teaching studio. I love it.”*

*“Renewed taps, stairs, handles of drawers, closet, window, doors, lights, walk ways, extra handles for both tub and toilet.”*

Among our respondents, 86% make self-insurance preparations, 77% make both self-insurance and self-protection preparations. For example nearly 18% combine financial, physical, leisure, health and environmental preparations, and the others make some subset of these.

Again, it must be remembered that the SHARE sample is not representative of all older Canadians. They are a self-selected group, who volunteer to help with research on aging. Many have post-secondary education and a disproportionate number of them are teachers who retired before the age of 60. NACA (1996) reports that the average age of retirement in Canada is 61. It is also likely that a higher proportion of seniors from this group made plans for their retirement than would be true for the retired population in general. These respondents may be more active because many have the economic resources to be so. On the other hand, recent evidence suggests that the proportion of SHARE respondents who made contributions to RRSPs is roughly equivalent to other Canadians in that age group (NACA, 1996). It must be noted that the purpose of presenting the results from the SHARE study was to illustrate the usefulness of the reflexive planning for later life model for studying how people prepare for their futures in later life.

## **RESEARCH QUESTIONS ARISING FROM THE CONCEPTUAL MODEL**

The conceptual model suggests a set of research questions to address if we are to understand the process of preparing for later life and the adequacy of the preparations that individuals and government make in preparing for an aging population. In the last section of this paper, we develop a number of these questions.

- 1) **How do existing patterns of inequality, power and resource distribution constrain or limit the preparations that individuals make for their later life?**

Put another way, are preparations for later life structured by gender, socioeconomic position, race ethnicity, family status and other such factors? The literature suggests that self-insurance is structured by gender, age, marital status, health and income (Denton et al., 2000). We know little about how self-protection varies by these factors. An analysis of our data showed that low-income seniors (those on GIS), divorced, separated or widowed seniors, and those in poorer health were less likely to make financial preparations or changes in their health practices, although they were just as likely to make changes in their physical and leisure activities. The data also revealed that women are more likely to self-protect their later life than men. However, the research in this area is preliminary at best and further work on this important topic should be a priority.

2) **Are there separate age, period and cohort effects in preparations for later life?**

With respect to *age effects*, at what age do people begin preparing for later life, immediately before retirement, after they attend a course, or years in advance? Is there some event that triggers this such as the “empty nest” or an experience of ill health? Are people consciously making preparation or simply responding to opportunities to save tax dollars or media campaigns on healthier life styles or both?

With respect to *period effects*, are there specific historical events that influence the preparations that people make? Do sudden shifts in social welfare policy or shifts in the economy such as an economic downturn cause individuals to re-evaluate their potential futures and the preparations they make for that future? For example, in Canada, have peoples’ preparations for later life changed because of the recent changes to OAS, the CPP, RRSP tax contribution limits, limits to

health care spending, and changes in the long-term care sector or the political agenda to convince Canadians that there are serious economic implications to an aging population?

With respect to *cohort effects*, do different age cohorts use different strategies to prepare for their later lives? Are cohorts who had fewer opportunities for self-insurance (i.e. the oldest old; the X generation) more likely to rely on self-protection preparations?

3) **Are public protection, self insurance and self protection preparations for later life complementary or supplementary?**

Are there specific combinations of strategies that people use and does this vary by gender or other socio-demographic or some other characteristics? For example, do some people self-insure while others self-protect or do some do both while others do neither? Do others simply not prepare at all and count on the state to look after them in their old age. To what extent do self-insurance preparations substitute for public protection preparations; to what extent are they complementary? To what extent do self-protection preparations substitute for public protection or self-insurance preparations; to what extent are they complementary?

4) **Are there differences in the way that individuals in different countries or welfare states plan for later life?**

Countries vary in the way in which they address class risks. Epsing-Anderson (1999) identifies three types of social welfare states -- social democratic, liberal or conservative which vary in the extent to which they insure individuals against social risks. Given these differences, do the preparations individuals make differ between countries with different welfare policies?

**5) What is the interplay between the various forms of preparations for retirement?**

Policy analysts need a thorough understanding of the inter-relatedness of the various types of preparations before they make changes to state provided programs. What are the equity implications of (recent) changes in public protection measure? Another example, do RRSPs increase the amount that people save?

**Research Strategies**

To answer these research questions and others, different research strategies are required.

**Qualitative methods**, such as intensive interviews or focus groups will help answer the questions about how people think about their futures, whether they are making conscious plans, what strategies they use, events that might have triggered their plans and so on. **Cross sectional** studies may be useful for studying differences by age, gender, income and other background characteristics and for addressing the question about the complementary or supplementary nature of preparations.

**Longitudinal or trend** data will allow us to test for cohort, period and age effects. Longitudinal data analysis permits researchers to capture the dynamics of social life which are shaped by economic, political and social events. People's lives are constantly changing as is the society in which they live. Individuals may face involuntary retirement in mid-life due to layoffs, health may decline, family may move away. With changes in their lives, people re-evaluate their plans and make changes in their preparations. Longitudinal data will enable us to study the dynamics of peoples lives and what events trigger changes in their preparations for the future.

Finally, we have suggested that the conceptual model may be used to address policy

questions such as: Will tomorrow's seniors be prepared economically and socially for their futures? As we have argued, this is not a question that can be answered solely with information about self-insurance and self-protection preparations for later life, but rather must be approached from a consideration of the public protection available. It is an issue of what public protection programs are in place to meet the needs of individuals as they age. The public protection programs available in the future may look quite different from those in place today. Policy makers must ask: Will the public protection programs available meet the needs of all citizens in their later life?

## **In Conclusion**

This paper has presented a model of reflexive planning for later life that describes the preparations or plans that people make for achieving independence and financial security in late life. It is comprehensive incorporating collective (the public protection programs offered by the state and occupational pension plans) and individual preparations (financial and non-financial), and the interplay between the them. The model provides fresh insight into the existing literature on retirement planning, the timing of retirement, the social construction of aging, savings and consumption patterns in later life. The model may also be used to structure research questions, to guide policy decision making and to point the direction for the design and content of future research studies.

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